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SUBJECT: HUNGARY,S PARLIAMENT: THE FALL 2006 AGENDA

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Summary

¶1. (U) The last plenary session of Parliament,s &extraordinary8 summer sitting, which began May 16, was July 24; now, the cabinet, the prime minister and Members of Parliament are already making preparations for the autumn session. While new items are certain to be added to the political agenda of Parliament as the fall 2006 session moves along, many action items will come under the rubric of the continuing harmonization of Hungary,s legal structure with European Union standards and expectations. This cable examines the agenda for the fall, as recently laid out by Prime Minister Ferenc Gyurcsany.

September

¶2. (U) With President Solyom having called local elections for the earliest date possible under the constitution, Parliament will manage just one plenary session prior to the vote on October 1. The purpose of that plenary session on September 18 will be to debate the National Development Plan (NDP), which will outline Hungary,s development goals for the 2007-2013 EU budget period. The government is expected to make details of the plan public in late July, after which it will invite outside recommendations for modifications to make before the all-out debate on September 18. (Note: Although the local elections will not directly affect the work of Parliament, all major parties will be in full campaign mode, hence the limited September agenda for Parliament.)

October

¶3. (U) According to the prime minister,s proposal to the speaker of Parliament on July 24, MPs will kick off the October session by discussing healthcare issues, particularly the question of sterilization. Last November, the Constitutional Court struck down the provisions of the Health Act pertaining to sterilization, which limited the procedure to women over 35 or with a minimum of three children. The Court found the restrictions to be disproportionate limitations on a woman,s liberty to choose and struck down the regulation, which went out of force on June 1, 2006. Currently, no legislation governs the issue, and the court has enjoined Parliament to decide on a regulation scheme as early as possible. Given the inherently controversial nature

of the issue, there has been significant debate over what the new provisions should or should not allow. The governing coalition has so far indicated that it favors more lax provisions, while the conservative parties have indicated their preference for strictly regulating access to the procedure.

¶4. (U) Also in October, Parliament will discuss the legal background of genetic engineering, along with regulations on electronic communications, both in an effort to ensure Hungarian regulations are fully compliant with European Union standards. Further items on the agenda include debates on corporate law, public procurement, and toxic materials as well as a broader clean-up of existing legal and regulatory language to reflect recent changes in government structure. (Note: procurement is an issue of key interest for the mission, and one in which we are formulating a joint approach with other embassies. End note.)

November

¶5. (U) The November agenda will once again feature items aimed at ensuring harmony with EU laws and regulations. Items up for debate will focus on air, land and water transport, fishing and agriculture, business advertising, as well as privatization. As a package, laws will be introduced to achieve more transparency in bank management, to harmonize Hungarian legislation on money laundering with EU standards, and to establish a more efficient consumer-protection structure in Hungary. A modification of regulations on the rights of the disabled will be debated; it will include plans to ensure that those with handicaps have better access to public services and buildings. Parliamentarians will also consider giving legal status to the National Interest Coordination Council. (Note: The National Interest Coordination Council currently functions as the primary forum

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for coordination between the government, employers and employees in labor-related questions; it studies the effects of labor and tax laws on workers, as well as employment figures.)

December

¶6. (U) In December, the last month of Parliament's fall session, Members of Parliament will review possible amendments to agricultural laws, once again to ensure conformity with European Union laws. With the same goal in mind, the government will submit to Parliament a proposal regulating the travel of foreigners to Hungary and their residence in the country, and an item on the Schengen Information System. The coalition plans to introduce a package of laws to increase conformity with EU and UN provisions on child protection, economy and terrorism. December will also be when the coalition puts forth its proposal for the 2007 budget. In addition, MPs will debate laws on unemployment benefits and pensions (debate on the latter will focus on modernizing early retirement rules).

¶7. (U) In this fall session, Parliament will have to fill the position of the Chief Public Prosecutor, which it has been unable to do since the previous Prosecutor's term expired in May. While it is President Solymos prerogative to nominate the candidate, Parliament must approve it with a majority. The President's first candidate was rejected in June.

Comment

¶8. (SBU) Parliament's fall session will coincide with two

politically important and sensitive events: the October 1 local elections and the October 23 fiftieth anniversary of the 1956 Uprising. October,s local elections will follow April,s national elections. Afterwards, the campaign-weary Hungarian public will surely breathe a sigh of relief, as no elections will then be in sight for two and a half years. Many analysts say that will enable the MSZP-SZDSZ coalition government better to focus on getting real work done. The October 23 commemorations will surely throw political differences into relief once again, but only for a short time. The question will then be how MSZP,s popularity holds up. That popularity has declined significantly since the April elections, while the opposition parties have attempted to exploit discontent with austerity measures.

WALKER